

Franchise Law Committee Meeting—Case Update  
June 13, 2008  
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### **NEW CASES**

Gueyffier v. Ann Summers, Ltd., 2008 Cal.Lexis 6738 (Cal. Sup. Ct., June 9, 2008)(arbitrator was empowered to relieve franchisee of obligation to provide franchisor 60 days to cure breaches of franchise agreement based on equitable grounds)

Brosnan v. Dry Cleaning Station, Inc., 2008 U.S.Dist.Lexis 44678 (N.D. Cal., June 6, 2008)(franchisor's Rule 12(b)(6) motion to dismiss granted because the franchisee failed to comply with a mandatory mediation provision in the franchise agreement that required a minimum of four hours of mediation "prior to initiating any legal action against the other")

Smith v. Paul Green School of Rock, 2008 U.S.Dist.Lexis 38356 (C.D. Cal., May 5, 2008)(upheld franchisor's demand that dispute with its California franchisee be arbitrated in Pennsylvania pursuant to venue selection and arbitration provision in franchise agreement)

Dass v. Tosco Corp., 2008 U.S.App.Lexis 10974 (9<sup>th</sup> Cir., May 20, 2008)(unpublished)(franchisor entitled to full amount of \$120,000 bond posted by franchise as security for issuance of a preliminary injunction precluding the franchisor from terminating the franchisee, but franchisor was limited to the amount of the bond for its claim that the injunction was improperly issued)

Postal Instant Press, Inc. v. Kaswa Corp., 162 Cal.App.4<sup>th</sup> 1510 (4<sup>th</sup> App. Dist., May 20, 2008) (franchisor's effort to collect judgment against a non-franchisee corporation of which an individual franchisee was a shareholder was rejected because California does not recognize the "outside" reverse piercing the corporate veil doctrine)

G.I. McDougal, Inc. v. Mail Boxes Etc., Inc., 2008 Cal.App.Unpub.Lexis 4275 (2d App. Dist., May 23, 2008)(unpublished)(franchisor's summary judgment reversed because question of fact existed as to franchisee's breach

of contract and tort claims arising out of the franchisee's refusal to sign a new franchise agreement after UPS acquired Mail Boxes Etc. in 2001)

Wolf v. Walt Disney Pictures, 162 Cal.App.4<sup>th</sup> 1107 (2d App. Dist., May 9, 2008)(nonsuit granted for Disney during trial on the plaintiff's breach of the implied covenant of good faith and fair dealing claim because Disney's right under the contract to license Roger Rabbit as it "saw fit" precluded the argument that Disney could not pursue non-monetized agreements)